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RUEHBJ/AMEMBASSY BEIJING PRIORITY 2182  
RUEHKO/AMEMBASSY TOKYO PRIORITY 2047  
RUEHIT/AMCONSUL ISTANBUL PRIORITY 2618  
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY  
RHMFISS/CDR USCENCOM MACDILL AFB FL PRIORITY  
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C O N F I D E N T I A L SECTION 01 OF 02 ASHGABAT 001333

SIPDIS

STATE FOR SCA/CEN, EEB  
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COMMERCE FOR PDYCK/DSTARKS

E.O. 12958: DECL: 10/01/2018

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SUBJECT: TURKMENISTAN: COMMERCE DAS DYCK TELLS MINISTER OF  
TRADE AND FOREIGN ECONOMIC RELATIONS OF U.S. DESIRE FOR  
INCREASED TRADE

Classified By: Charge d'Affaires Sylvia Reed Curran. Reasons 1.4(b) and  
(d).

11. (C) SUMMARY: Turkmenistan's Minister of Trade and Foreign Economic Relations told visiting Department of Commerce DAS Paul Dyck September 29 that he hopes that increased U.S.-Turkmenistan trade relations will move the U.S. up from Turkmenistan's 16th place trading partner to "the top ten or better." He encouraged U.S. investment in the Avaza tourist zone on the Caspian Sea. DAS Dyck told the Minister that the U.S. wants to develop closer trade relations with Turkmenistan and noted the desires of Boeing, Case New Holland and Chevron to do more business in the country. END SUMMARY.

12. (C) Minister of Trade and Foreign Economic Relations Nokerguly Atagulyev told Commerce Deputy Assistant Secretary Paul Dyck during a September 29 meeting that Turkmenistan's foreign trade amounts to 16.4 billion dollars a year, with oil and gas accounting for 90% of the country's exports, and revenues going toward construction, services and the development of local enterprises. He said that major U.S. imports include aircraft, chemicals, farm equipment and foodstuffs. He described the Ministry of Trade and Foreign Economic Relations as comprised of 96 employees in the headquarters, 15,000 others throughout the country, and 330 state-run enterprises. Atagulyev said that the Ministry's main function is to fill markets with food products and "manage foreign trade to the benefit of the country."

13. (C) DAS Dyck said that it is very important to the U.S. government to develop the "closest possible ties on all fronts, including trade." He called increased trade with Turkmenistan, "one of the main goals" of his visit, observing that several U.S. companies, including Boeing and several manufacturers of agricultural equipment have been successful in Turkmenistan and are interested in doing more business. Dyck noted that Chevron has made a proposal to the government of Turkmenistan to explore and develop natural gas onshore.

U.S. companies throughout the region have the "expertise and willingness to offer goods and services in every sector" in Turkmenistan. He reminded Minister Atagulyev that one of the first questions that interested companies ask about is the business environment in the country. For this reason, the U.S. welcomes the reforms that Turkmenistan has begun to implement in order to create a more inviting climate for investors.

¶4. (C) Atagulyev said several U.S. companies, including Itera (a gas trading company), Gloria Ventures, which recently completed reconstruction of the Turkmenbashi oil refinery, John Deere, Ibberson, Trinity Company and General Electric (which completed reconstruction of the Abadan power plant), have already done large-scale business and projects in Turkmenistan. Atagulyev said he hopes to continue economic collaboration with U.S. companies in the future.

¶5. (C) Atagulyev said he sees the most potential for investment in Avaza tourist zone, and any tourism-related investment, including construction, would be welcome. Thus far, the government of Turkmenistan has invested 1 billion dollars in Avaza. Foreign companies have invested 1.5 billion, and many others have expressed an interest in investing.

¶6. (C) DAS Dyck described the goals of the U.S.-Turkmenistan Business Council, based in Washington, as promoting trade between the two countries. It is comprised of companies doing business or interested in doing business in Turkmenistan. He thanked the Minister for Turkmenistan's

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cooperation with the TIFA process, which he called one where both countries can share ideas for increasing trade opportunities and addressing the accompanying challenges. DAS Dyck described the success of the SABIT (business training) program that the Commerce Department runs. A number of the participants have been from Turkmenistan.

¶7. (C) COMMENT: The Turkmen would like to see increased U.S. investment. Nevertheless, they need to take a number of steps (including cutting the considerable red tape) in order to improve the business climate in order to make Turkmenistan a more attractive location for foreign investors. END COMMENT.

¶8. (U) DAS Dyck has cleared this cable.  
CURRAN